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IDAHO PUBLIC
UTILITIES COMMISSION

RANDALL C. BUDGE
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March 27, 2014

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, Idaho 83720-0074

RE: IPUC Case No. PAC-E-14-01

Dear Ms. Jewell:

Enclosed you will find the original and eight (8) copies of Monsanto's Reply Comments. Please file the same with the commission's records and return a file-stamped PDF copy to me. If you have any questions, please don't hesitate to call.

Thank you.

Sincerely,

RANDALL C. BUDGE

RCB:ts

cc: Service List

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UTILITIES COMMISSION

Attorneys for Intervenor Monsanto Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
ROCKY MOUNTAIN POWER FOR)
AUTHORITY TO DECREASE RATES BY)
\$2.8 MILLION TO RECOVER DEFERRED)
NET POWER COSTS THROUGH THE ENERGY)
COST ADJUSTMENT MECHANISM)
_____)

Case No. PAC-E-14-01

REPLY COMMENTS OF MONSANTO COMPANY

INTRODUCTION

COMES NOW Intervenor Monsanto Company (“Monsanto”) through counsel and submits these Reply Comments with respect to the March 20, 2014 Comments of the Commission Staff and the March 26, 2014 Reply Comments of Rocky Mountain Power (“RMP” or “Company”). Monsanto accepts and agrees with the Company’s explanation on lagged ECAM Revenues as explained in RMP’s Reply Comments of March 26, 2014 at pages 4 and 5. Monsanto will address below the Staff’s claims to have “discovered an error in the application of WLA (“Wholesale Loss Adjustment”)", as well as the Staff’s new proposal for a base rate over-collection adjustment.

WHOLESALE LOSS ADJUSTMENT

In their Comments, the Staff states that the WLA is removed from the Load Change Adjustment (LCA) for June through November 2013:

“Additionally, in a settlement reflected in Commission Order No. 32910 pursuant to Commission Order No. 32771, the wholesale line loss adjustment applied to actual loads for Monsanto and Agrium for purposes of calculating the LCA is removed from June 1, 2013 through November 30, 2013 of the deferral period.”
Comments of the Commission Staff, March 20, 2014, page 2.

The Staff Comments mischaracterize the settlement. The Stipulation and Order No. 32910 of Case No. PAC-E-13-04 states that the WLA is removed for all deferral balances except for the calculation of the LCA:

“Pursuant to Commission Order No. 32771 the Parties have agreed to modify the ECAM calculation by removing the wholesale sales line loss adjustment from Monsanto and Agrium’s actual load used to calculate all deferral balances except for the Load Change Adjustment Revenue (LCAR) portion of the ECAM deferral. This change will be effective for the ECAM deferral period starting June 1, 2013 and ending on November 30, 2013.” *Case No. PAC-E-13-04, Order No. 32910, October 24, 2013, page 4, emphasis added*

In addition, the Staff also believes RMP used the wrong WLAs in its Application in this proceeding:

“While reviewing RMP’s deferral calculations, Staff discovered an error in the application of the WLA per Commission Order Nos. 32597, 32771, and 32910. The wrong WLAs were applied to January through May 2013 actual loads resulting in an incorrect allocation of deferral amounts between Agrium, Monsanto, and tariff customers.” *Comments of the Commission Staff, March 20, 2014, page 7.*

Monsanto does not agree with the Staff there has been a “misapplication” of the WLA by RMP, and thus urges the Commission to reject the Staff’s “correction” to the WLA. Monsanto believes RMP has correctly updated the WLAs in this case pursuant to Order No. 32432 in Case No. PAC-E-11-12¹ and has correctly applied those updated WLAs in its analysis. Specifically,

¹ Case No. PAC-E-11-12, “In the Matter of the Application of PacifiCorp, DBA Rocky Mountain Power, for Approval of Changes to Its Electric Service Schedules. The Order states: “The Parties agree to update the Idaho load in the 2012 ECAM load change adjustment revenue (“LCAR”) calculation to the 2010 actual load included in PAC-E-11-12 for the 2012 ECAM deferral calculation and use 2011 actual load reported in the Annual Results of Operations Report for the 2013 ECAM deferral calculation.” *Order No. 32432, page 4*

the Company correctly applied the new and updated set of WLAs to Monsanto and Agrium's base load and actual load in the LCAR portion, as well as to the months of January through May for purposes of net power costs.

The Staff is attempting to change the agreed upon ECAM methodology by applying two completely different sets of WLAs to Monsanto and Agrium's loads: (1) a prior set of WLAs based on Case No. PAC-E-11-12 applied to January through May actual loads for net power cost deferral, and then (2) the new updated set of WLAs based on the Annual Results of Operation Report for load changes. There is no need for two different sets of WLAs for the same months.

In the Company's 2013 ECAM filing, the WLAs were updated for January through November and applied to both the load change and net power cost deferral. In the Company's 2014 ECAM filing, the WLAs were again updated for January through November and applied to both the load change and net power cost deferral. The only change agreed to by Stipulation among parties in Case No. PAC-E-13-4 was that commencing June 2013, the WLA would be removed from Monsanto and Agrium's actual load used to calculate net power cost deferral balances.² Consequently, Monsanto asks the Commission to reject the Staff's "correction" to the WLAs which is contrary to the Stipulation.

Base Rate Over-Collection Adjustment

The Staff recommends an entirely new adjustment methodology to perform an "after the fact" check on deferral amounts from the ECAM. It appears the Staff has been working in collaboration with the Company on a method to "check the accuracy of its deferral amounts."³ Monsanto was not notified or included in any of these separate talks between Staff and the Company. Though this new method of checking may prove useful, proposing such a new methodology for the first time in Staff's Comments filed March 20, 2014 in Modified Proceedings case with an expedited schedule such as this affords no opportunity for discovery, critical review or meaningful response. Monsanto takes exception to this and any other new

² Case No. PAC-E-13-04 Stipulation at pages 4 and 5, and in particular footnote 1 at page 5 states: "Accordingly, the deferral period for the ECAM application to be filed February 1, 2014 will reflect two different allocation methodologies. The current allocation methodology will be used for the December 1, 2012, through May 31, 2013 period. The proposed allocation will be used for the June 1, 2013, through November 30, 2013 period."

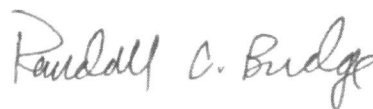
³ See page 8 of the Staff's Comments where it states: "Staff, in collaboration with the Company, proposed a method to check the accuracy of its deferral amounts."

methodology being introduced in the manner presented under Modified Procedures which gives rise to due process concerns because other effected parties have not been afforded a reasonable opportunity to evaluate the proposed change and participate in the process.

On September 29, 2009, the Commission issued Order No. 30904 approving the implementation of an annual ECAM for RMP. Perhaps now after five years, it is time for an in-depth re-examination of the entire ECAM model. For example, the Commission Staff claims it has found that relatively small differences in line losses between base and actual loads can drive large inaccuracies in deferral amounts. If this is so, then the whole ECAM structure should be examined in a setting that allows all interested parties access to supporting analysis and workpapers, with the opportunity to respond to any change in the ECAM method. That full opportunity simply does not exist in this instant case and warrants a full review rather than expedited review under Modified Procedure in the next ECAM filing.

RESPECTFULLY SUBMITTED this 27th day of March, 2014.

RACINE, OLSON, NYE, BUDGE &
BAILEY, CHARTERED



By _____
RANDALL C. BUDGE

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 27th day of March, 2014, I served a true, correct and complete copy of the foregoing document, to each of the following, via the method so indicated:

Jean D. Jewell, Secretary (original and 7)
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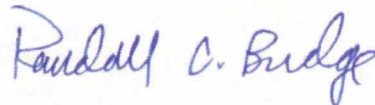
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